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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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June 3, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT APPROVAL OF CHANGE IN
IDENTIFIED MEDICAL EQUIPMENT AND AUTHORIZATION OF RELATED
CONSTRUCTION CHANGE ORDER - SPEC. 6550; (C.P. No. 70787)**
(First District)(3 Votes)

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER AND THE
DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:**

1. Approve the replacement of one 2-head and two 3-head gamma cameras with a Positron Emission Tomography (PET/CT) scanner in the medical equipment plan at an additional net cost not to exceed \$704,231. The amount includes \$414,000 in medical equipment costs, \$200,000 in construction costs, \$74,931 in design fees and \$15,300 in permitting fees, to be funded with a combination of short, medium, and long term financing within the previously approved budget.
2. Approve and authorize the Director of Public Works to execute a Supplemental Agreement with Hellmuth Obata Kassabaum + Lee Burkhart Liu (HOK/LBL) in an amount not to exceed \$74,931 for additional design services necessary to accommodate the change in medical equipment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The recommended actions will add a PET/CT scanner for the LAC+USC Medical Center Replacement Facility to facilitate more accurate non-invasive detection of disease, and will eliminate one 2-head and two 3-head gamma cameras which will not be required due to the augmented capability provided by the PET/CT scanner.

Background: Medical Equipment Changes

On June 3, 2003, your Board approved the substitution of a high intensity linear accelerator for a medium intensity linear accelerator. At that time, your Board was advised that additional changes to the equipment listing were being reviewed, and more changes would be presented to your Board for approval. This is the second recommended change, and it has been reviewed with the Project Advisory Committee.

Positron Emission Tomography/CT Scanner Change

Since 1998-99 when the medical equipment consultant developed the list of medical equipment, Positron Emission Tomography (PET) has emerged as the standard technology for the diagnosis and detection of several types of disorders, including:

- The accurate, non-invasive detection and staging of cancer, as well as heart disease and neurological disorders.
- The differentiation of benign from malignant tumors.
- Differentiation of living heart muscle from scar tissue, thus saving unnecessary surgeries for heart patients with scar tissue.
- Alzheimer's disease and localizing the cause of epileptic seizures.

The improved diagnostic and disease management capabilities offered by PET/CT reduces the need for other diagnostic tests and unnecessary surgeries, and subsequently overall medical costs.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practice in patient care, and the Goal of Fiscal Responsibility by investing in public infrastructure.

Consistency with DHS System Redesign

These actions meet the Department's strategic goals by improving the health care provided by DHS and enhancing the health of the residents of Los Angeles County.

FISCAL IMPACT/FINANCING:

The approved project budget of \$820,558,000 contains contingency amounts in the equipment, construction and design portions of the budget. Approval of the recommendations will not require an increase to the project budget as the additional costs will be covered with contingency funding.

Included in the \$96,964,000 equipment budget is a contingency of \$6,000,000 which is intended to allow for changes in equipment selection to accommodate new technology, optimize operational efficiency and fund cost escalation. To date, \$1,789,004 of the equipment contingency has been approved for use in the project. This action will add \$414,000 to that amount.

This recommended change is estimated to require up to \$200,000 of the \$39,488,624 construction contingency. To date, \$2,613,967 of this contingency has been approved for use in the project.

The recommended change will require \$74,931 of the \$2,100,000 design contingency. To date \$438,541 of this amount has been approved for use in the project.

The recommended change will require \$15,300 of the \$992,442 permitting and plan check fees contingency. To date \$50,502 of this amount has been approved for use in the project.

The project budget is funded with a combination of a FEMA grant and short and long-term borrowing.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The additional construction cost may require your Board's approval because it is expected to exceed the \$150,000 limit delegated to the Director of Public Works pursuant to Public Contract Code Section 20142. Based on Public Works' preliminary assessment of the work involved, we estimate the cost to be approximately \$200,000.

On December 3, 2002, your Board approved a revised project budget of \$820,558,000 which included \$96,964,000 for the procurement of fixed medical equipment. The procurement process is managed by the Internal Services Department (ISD) under the Statutory Authority of the County Purchasing Agent. ISD, in cooperation with the Department of Public Works, the Chief Administrative Office and Health Services will solicit bids and purchase the required equipment in accordance with the standard County purchasing policies and procedures.

ENVIRONMENTAL DOCUMENTATION:

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment (EIR/RA) for the project. On June 7, 2000, FEMA issued a Findings of No Significant Impact for the Project and approved the EIR/EA. The recommended changes to the project do not result in any environmental impacts which are not considered in the approved EIR/EA.

CONTRACTING PROCESS:

Design Services

On October 1, 1998, your Board awarded agreement PW11875 for \$45,025,000 to HOK/LBL to provide architectural design services, construction administration and medical equipment planning for the LAC+USC Medical Center Replacement Project.

The proposed change will require revising the layout of the Nuclear Medicine area in the Diagnostic and Treatment Building to accommodate the PET/CT Scanner. The revisions are primarily associated with the reconfiguration of several rooms, revisions to the radiation shielding of these rooms in the Nuclear Medicine area, and associated utilities. The scope of design services is described with more detail in Enclosure B.

HOK/LBL has reviewed the scope of work and submitted a proposal for these supplemental services for a fee not to exceed \$74,931. Public Works considers this fee to be fair and reasonable for the work involved. This represents a .17 percent increase of the original contract amount. When added to previously approved supplemental agreements, this increases the value of contract PW11875 to \$45,412,940 which represents a .86 percent total increase for all supplemental agreements.

Additional Construction Cost

On December 3, 2002, your Board awarded contract PW12461 to MCH for \$497,883,000 to construct the LAC+USC Medical Center Replacement Project.

This change in medical equipment will result in additional construction cost, which based on preliminary information should not exceed \$200,000.

The Honorable Board of Supervisors
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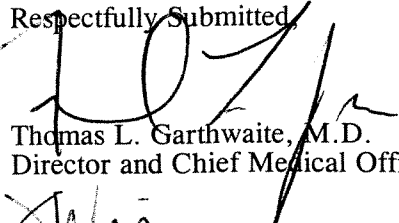
The full scope of work cannot be assessed accurately until the architect of record has completed the design work. Subsequent to completion of design documents by the architect, we will reassess our estimate, obtain a firm construction cost quote and, if the cost exceeds \$150,000 we will return to your Board for approval of the final construction procurement cost associated with this work.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

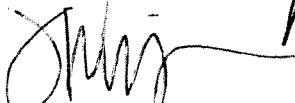
The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include instructions to the contractor to comply with specific construction constraints from the EIR/EA that will be used to control construction generated dust, noise and traffic within acceptable thresholds.

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects), Health Services, and Public Works.

Respectfully Submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer


David E. Janssen
Chief Administrative Officer


for James A. Noyes
Director of Public Works

TLG:DEJ:JAN:pm
PET-CTScanner_Revised1

Enclosures

c: County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Office of Affirmative Action Compliance

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
CONSULTANT SERVICES AGREEMENT**

**HOK/LBL
SPEC.6550; C.P.70787**

I. PROJECT SCHEDULE

Project Activity	Schedule Completion Date	Actual Completion Date
Board Award Design Contract	07/98	07/98
Construction Documents	09/00	09/00
Jurisdictional Approvals	05/02	05/02
Award of Construction	12/03	12/03
Construction Start	01/03	01/03
Acceptance of Project	04/07	

II. PROJECT BUDGET SUMMARY

BUDGET CATEGORY	CURRENT BOARD APPROVED BUDGET	IMPACT OF THIS ACTION	REVISED PROJECT BUDGET
Land Acquisition	\$ 12,250,000	\$0	\$ 12,250,000
Make Ready (Bid Package A-1)	\$ 9,800,000	\$0	\$ 9,800,000
Construction			
Site Preparation	\$ 11,813,750	\$0	\$ 11,813,750
Remaining Construction Work			
(a) Base Bid	\$497,883,000	\$0	\$497,883,000
(b) Base Isolator Bearings	\$ 814,626	\$0	\$ 814,626
(c) Contingency(7.9 percent)	\$ 39,488,624	\$0	\$ 39,488,624
Remaining Work Subtotal	\$538,186,250	\$0	\$538,186,250
Construction Total	\$550,000,000	\$0	\$550,000,000
Equipment(Medical, Telecommunications/Data, and FFE)	\$ 96,964,000	\$0	\$ 96,964,000
Architectural Services	\$ 49,600,000	\$0	\$ 49,600,000
Consultants and Vendor Services	\$ 72,498,000	\$0	\$ 72,498,000
Permits and Fees	\$ 9,112,000	\$0	\$ 9,112,000
County Services	\$ 20,334,000	\$0	\$ 20,334,000
Total	\$820,558,000	\$0	\$820,558,000

ENCLOSURE B

LAC+USC MEDICAL CENTER REPLACEMENT FACILITY CONSULTANT SERVICES AGREEMENT HOK/LBL SPEC.6550; C.P.70787

THE SCOPE OF SERVICES WILL INCLUDE ALL PROFESSIONAL SERVICES NORMALLY RENDERED FOR THIS KIND OF SERVICE INCLUDING, BUT NOT LIMITED TO, THE SERVICES OUTLINED IN THE CONSULTANT'S PROPOSAL DATED APRIL 2004, AND THE FOLLOWING:

SCOPE OF SERVICES

The services to be rendered by HOK/LBL will consist of providing revisions to the layout and components of the Nuclear Medicine services in the Diagnostic and Treatment Building to accommodate the revised equipment and layout required by the incorporation of the Positron Emission Tomography (PET/CT) Scanner and deletion of various gamma cameras. The design revisions will include, but not be limited to, the following design disciplines and building elements to provide a complete and operable system:

1. Convert Rooms 4C427 and 4C428 into a single room to house PET/CT scanner and its control area.
2. Convert Room 4F110 to become a PET/CT Patient Rest Area.
3. Convert Room 4F112 into the Thyroid Uptake Room.
4. Convert South part of Room 4D337 into an injection room.
5. Revise medical equipment drawings to reflect relocated gamma camera configurations, ensure clearances and verify that other infrastructure is adequate for the new location.
6. Develop radiation shielding reports from Room 4C427, 4C428 and 4F110.
7. Write new functional performance specifications for the new equipment, and develop equipment list for new function of Room 4F110.
8. Adjust medical equipment list and budget list to reflect new rooms and new equipment.
9. Verify seismic anchorage for revised equipment and evaluate structural loads of new equipment and radiation shielding, as well as structural evaluation of path of travel for movement of new equipment during installation.
10. Revise electrical drawings for power and lighting.
11. Revise HVAC for new room 4C427-428 based on revised architectural plans and medical equipment specifications.
12. Revised plumbing drawings based in new room layouts and modifications.
13. Add new data-communications outlets to revised forms.
14. Revise additional hardware requirements for doors, to include radiation shielding doors where required.
15. Prepare revised construction documents for OSHPD's review and approval.
16. Special reports, analyses, and presentations as required.
17. Issuance of information bulletins as required.
18. Inclusion of the revisions in the record drawings.

ENCLOSURE B

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SCHEDULE

The consultant will complete the required services within nine weeks after the Notice to Proceed has been issued by the Project Director in coordination with the current project schedule so as not to cause a critical path delay of construction activities.

COMPENSATION

HOK/LBL shall complete the services for a not to exceed fee of \$74,931. After completion of the work, HOK/LBL shall submit a payment request for the work completed. The payment request will include enough information to substantiate the amount claimed including, but not being limited to, expenditures on an hourly rate basis according to the job title and hourly rate of each employee performing work. Payment will be made following approval by the County.

The total fee for the work is as follows:

Design Cost	\$ 71,363
Special Reviews, Reports and Permitting	\$ 3,568
Total not to exceed Fee	\$ 74,931